

# **GSE CUSTOMER COUNCIL MEETING**

## **May 14, 2004**

### **Members Present:**

John Bradford, Chairperson; John Baldwin, Vice Chairperson; Marcia Spangler, DPH; Greg Anliker, Elder Affairs; Charlie Smithson, Ethics; Peggy Sullivan, Judicial; Bob Straker, AFSCME; Roger Johnson, Cultural Affairs.

### **Members Absent:**

Mary Lawyer, IDED; Capt. Bob Alles, DPS; Ruth White, Human Rights.

### **Others Present:**

Patrick Deluhery, GSE; Debbie O'Leary, GSE; Dale Schroeder, GSE/Fleet & Mail & Printing; Tim Ryburn, GSE/CCM; Dean Ibsen, GSE/D&C; Tera Harrington, GSE; Nancy Williams, GSE; Mark Willemssen, Legislature; Marianne Mickelson, DAS/ITE; Patti Allen, DAS; Ken Paulsen, GSE; Julie Sterk, DAS; Paula Newbrough, Fleet & Mail; Carol Stratemeyer, DAS.

### **Call to Order**

Chairperson John Bradford called the meeting to order at 7:30 a.m.

### **Opening Comments**

No opening comments.

### **Approve Minutes of April 16, 2004 Meeting**

Bob Straker moved to approve the minutes as written. Marcia Spangler seconded the motion. Motion passed.

### **Customer Comments RE: Rate Package**

Pat Deluhery advised he received the customer responses to the rate information late yesterday and did not have it ready for distribution. Charlie Smithson advised since the responses were circulated on state equipment, he wanted to see the comments in their entirety. Pat advised since these comments are public record, he will have them e-mailed to all GSE Customer Council members.

### **Final approval – FY'05 rates**

Charlie Smithson advised he felt the GSE Customer Council had been misled, because the rates had *tentatively* been approved by the customer council, contingent upon receiving customer comments. Instead, the rates of all three divisions were published and distributed as *final* rates. John Bradford stated one of the difficulties was the coordination with the other two councils. Bob Straker noted this was the result of “the first year learning experience”; we can make changes the next time.

John Bradford noted that even though the process this time was disappointing, we have to move on to the 2006 budget. When working on the 2006 package, the GSE Customer Council must make sure everyone understands that when the Council says *approved as a tentative rate based on customer feedback*, that is what we mean.

Roger Johnson moved to approve the final rates. Bob Straker seconded the motion.

John Baldwin stated he feels the GSE Customer Council is “rubber-stamping” the rate package. John also discussed funding for cost of living adjustments and vacancies in the various departments.

Peggy Sullivan stated she feels fairly comfortable with the FY '05 rates but thinks the real challenge is coming down the road, with rates being only a small part. She questioned whether this process is in the best interest of our state government stating we are spending a lot of time “discussing how we slice up the pie instead of getting the pie taken care of”.

John Baldwin advised that the Department of Corrections deals with GSE on a variety of issues and wants to note that none of the comments should be construed as being negative toward staff, stating they work hard, do a good job and Corrections receives wonderful service from them. However, there is an equity issue that is “rearing its head” that must be dealt with aggressively in FY '06. It is a perceived equity issue that is going to cause pain in FY '05.

Charlie Smithson asked to amend the motion to read, “given where we are in the process and given the hardship that would result to DAS and all of state government if we were to vote No, that the GSE Customer Council move to adopt the FY '05 rates.

Amended motion carried.

Charlie Smithson stated that he was amazed at all the work the GSE staff has done, all the presenters – how staff was able to present the information in understandable bite size chunks and all of the other things. Charlie noted his frustration is not at GSE staff but with the “disconnect” at the end, the process.

### **Financial Statements (Purchasing & CCM)**

Debbie O’Leary distributed a financial document. Debbie advised the financials are through March and are the actual expenditures and money that has been brought in through March. In addition, we will be having a payment from Emergency Management Division in the amount of \$60,000. We are also seeing an increase in purchasing by departments. If the trend holds, the amount that will be purchased in FY '04 will be very similar to the amount that was purchased in FY '03.

CCM – the financial information we are currently receiving is not rolled up into a format that has everything that goes into the association fees. It is not in a format you can compare to where we are with the actions of the customer council. The system just isn’t designed yet to do that – we don’t have financial information for the CCM area.

### **Business Plans**

#### **CCM – Q & A’s**

Tim Ryburn advised the CCM Business Plan was distributed and discussed at the April 16<sup>th</sup> meeting. Today, we are looking for questions and comments

John Bradford advised he thought it was a very nice job.

Tim Ryburn – The biggest thing as we move forward with how we lay out that business plan, may be how the rates are set.

Facilities need care – from a CCM perspective we will try to continue to give you more and more information about the facilities you are housed, so we can make good decisions.

John Bradford – are we really doing business plans every year or are we doing more strategic planning – I think maybe a strategic plan is more appropriate.

Pat Deluhery advised the business plan is in the Code

### ***D & C***

Dean Ibsen distributed the Design & Construction Business Plan and discussed it at length. Dean advised he thinks about this more as an Action Plan, what we are going to do on an annual basis based on the business plan. We have an action plan in Design and Construction that we have been working on.

We have several units within Design and Construction – Design & Construction Services, Leasing and Space Management, Utilities, Ceremonial Space, Services, Restoration Painting. This focuses primarily on the Design and Construction services but it makes reference also to leasing, space management and a little bit to some of the other services. At some point, we may look at pulling those out and having more specific components in the business plan.

Design and Construction works with a number of advisory groups . Specifically, the Governor's Vertical Infrastructure Advisory Committee, a group of seven citizens from around the state. We meet on a monthly basis and we talk about major maintenance projects. We also work with the Capitol Planning Commission. This group focuses specifically on the Capitol Complex, the buildings, new buildings, monuments, locations of monuments – we have a Capitol Complex Master Plan that we work with.

Right now we work on an informal basis with agencies and institutions. We are moving to developing MOU's and ultimately beginning July 1, we plan to develop Service Level Agreements that will specifically outline the work that we do.

The Design & Construction Business Plan will be on the agenda at the next meeting for any questions or concerns.

### **How Charter Agencies Could Impact GSE**

Due to lack of time – item deferred to next meeting.

### **Space Allocation Policy (Action Requested)**

Tim Ryburn distributed information about discussing vacancy rates.

Due to lack of time – more discussion and action on this option is deferred to next meeting.

### **Multiple Year Contracts (Update)**

Due to lack of time – item deferred to next meeting.

### **Schedule of Customer Council Activities**

Patti Allen spoke to the group as the Communication and Marketing person for the Department. Patti advised a number of the councils have expressed concern about how they might best keep the agencies that they represent informed about the council activities.

Effective in June, DAS will be going to a more real time Internet presence for the Customer Councils. On the DAS website there is a customer council link right now but it is primarily historical information. It will be a more active page and separated by Councils, but within each Council section on the page there will be able a link that will take you to the current agenda, the current member list, the current meeting summary and announcements.

The second thing that will be changing effective in June is that DAS will begin writing an every other month newsletter recapping council activities. It will be sent to agency directors and others identified by the Customer Councils.

Terms limits or re-election of members to the Customer Council (hand-out distributed). The current Code information calls for a two-year term; DAS is proposing a three-year term for a variety of reasons. The two prime reasons are, 1) the learning curve and 2) because of the lag time involved from the time that the rates are set until the rates actually go into force. A two-year term would mean that some people really could not be serving in a Customer Council role during the time that the rates they set were in force. From an accountability standpoint, we think that is an important thing to have happen for our customers. You set the rates and you live with the rates as Customer Council during the period when all of the customers are paying the rates.

The action DAS would like to suggest is that you consider changing your term length from two years to three years.

Cycles – There are four different activities that we are trying to cycle so that the councils could work through them in an orderly fashion and they made the most sense for the desired outcome. The rate setting process is first.

There is a new step, we have added to the process a “Mid-FY Rate Verification” step that will give us the opportunity to go back in and look up actuals for the work that you have done and see if you are high, low or right on the money.

The other thing is the schedule for the Advisory Council meetings. We tried to stage those at a time when you would be through with major steps of your work. For example, we will be reviewing the customer satisfaction surveys in October, we will be looking at rate information in January and we will be talking about Legislative results in May. Those were the three big meetings of the year that we thought would be worth getting the big groups together.

The separate category of information on this sheet is how the business plan approvals would become. According to this schedule, you would be approving utility business plans about the same time that you are doing the other rate information, so that is just an addition to the cycle.

Roger Johnson advised we can't take action at this meeting on the changes to terms since it wasn't on the agenda. We need to put this on the agenda for the next meeting and in the meantime give consideration to what we want to do.

Greg Anliker asked if there is a reason why we are waiting for March to start presenting that information? Patti replied – I think the primary concern, is that we won't be able to have information to tell us what our costs will be much earlier than that time. That is the driver for the narrowness of the window, that is one of the reasons why the mid-year verification step has been added to the process. I think that our CFO, Denise Sturm is very concerned about being put in a position to forecast costs that early in a business cycle. She is really concerned about giving people accurate projections; you are making big decisions based on those projections. She won't really even, for this cycle that you are beginning to work on, we don't really have actuals yet. We would like to get to a model where we have actuals from actual data for you to consider in the process.

Greg Anliker stated the biggest unknown at the time you made the projections was the salaries and every other year there won't be a problem, because of the two year collective bargaining agreement, you will know what the one year cost is, but won't have that every other year, you won't have any idea what the projected salaries will be. I am curious to see how we are going to handle that. This is a year that we happen to know the cost.

#### **Role of the Customer Council**

Due to lack of time – item deferred to next meeting.

#### **Open Discussion**

Meeting scheduled May 27, 2004 – cancelled

Next meeting: - June 10, 2004 7:30 a.m – 10:30 a.m.

#### **Adjournment**

Adjourned at 9:30 a.m.

Respectfully submitted,

Nancy Williams, Secretary